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ABSTRACT

This lesson plan involves the calculation of a price index using a fictitious market basket for holiday celebrations. The lesson plan provides a content objective; cites an economic standard; gives background information; lists materials needed; details the lesson agenda; and suggests closure. Attached are a "12 Days of Christmas Gifts' Price Index" and an "Eight Nights of Chanukah Activity." (BT)

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Holiday Market Basket Information Lesson Plan

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Holiday Market Basket Information

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Content Objective: Guided Practice in calculation of price indexing.

Process Objectives:

1. To apply practice with calculation of a price index using a fictitious market basket
2. To apply higher level problem-solving skills
3. To analyze the scope of the task (i.e., realize that there are really two problems in which to solve)
4. To develop and appreciation/awareness of multicultural holiday rituals (Christian and Jewish)

Economic Standards:

Standard 19: Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it arbitrarily redistributes purchasing power. By creating uncertainty about future prices, inflation can reduce the rate of growth of a nation's standard of living.

Agenda:

The purposes of today's lesson is to practice the calculation of one of our most important macroeconomic indicators, a price index. Your ability to feel comfortable with these calculations will enable you to apply this knowledge to real world applications of the relativity of price changes over time.

As an added bonus, given the time of year, we have selected products in our market basket that are reflective of what some who celebrate either a Christian ritual or a Jewish ritual at holiday time would purchase. Relative price i l changes from year to year may result in some choices in allocating scarce resources.

Students will work in pairs to complete two worksheets. How each pairing chooses to divide the work is up to you. In keeping with the holiday spirit, I will be milling around the room bestowing glad tidings upon all whom I see. However, in keeping with the competitive spirit of the classroom, there will be a prize for the winning pair.

Materials: worksheets (made up)

Duration: 1 class period (43 minutes)

Lesson Agenda:
Room alignment:

1. Desks are arranged in pairs. Students will work together in pairs; one on each sheet. The pair that comes up with the correct calculation first will be a winner.
2. Each group is given a copy of both worksheets. Students begin work on the price index calculation. NOTE: Prices of products are given on a per unit basis.

The trick of the activity (for both sheets) is that the students can work through the arithmetic with relatively no problem, but they do not automatically realize that there are more than 12 items on the list. For example, in the Twelve Days of Christmas there are actually 364 gifts presented over the duration of the 12 days, when one considers that during the 12 days, one actually receives 12 partridges, 22 turtle doves (11 days x 2 turtle doves), etc. The same logic follows for the Eight Nights of Chanukah worksheet. Proportionally, the actual calculation of the index doesn't really vary that much if they make the math error noted above, but I strive for complete accuracy to add to the fun of the contest.

Closure:

Students share their answers. I usually have the winning pair go to the board to take the class through their calculation. Prizes are awarded and we leave for holiday break.

12 Days of Christmas Gifts' Price Index

Directions: Given the following information, calculate the following:

1. The Price Index f or this Holiday "Marketbasket" with 1996 = 100 as your base year.
2. The % change in price for each item and for the Total # of gifts.

Gift	Total (Quantity)	1996	1997
Partridge		$15.00	$15.00
Pear Tree		$12.50	$30.00
Turtle Doves		$50.00	$50.00
French Hens		$15.00	$15.00
Calling Birds		$280.00	$280.00
Gold Rings		$325.00	$325.00
Geese-a-Laying		$150.00	$150.00
Swans-a-Swimming		$3,500.00	$3,500.00
Maids-a-Milking		$38.00	$41.20
Ladies Dancing		$3,258.54	$3,258.50
Lords-a-Leaping		$3,182.57	$3,309.87
Pipers Piping		$1,137.24	$1,137.24
Drummers Drumming		$1,232.01	$1,232.01
Total			

Total all _____ gifts

Source for the data: PNC Bank's Asset Management Group

Eight Nights of Chanukah Activity

On the first night on Chanukah, my bubbe gave to me, a tasty potato latke.
On the second night of Chanukah, my bubbe gave to me, two yarmulkes and a tasty potato latke.
On the third night of Chanukah, my bubbe gave to me, three kiddish cups, two yarmulkes and a tasty potato latke.
On the fourth night of Chanukah, my bubbe gave to me, four tallim, three kiddish cups, two yarmulkes and a tasty potato latke.
On the fifth night of Chanukah, my bubbe gave to me, five mezuzahs, four tallim, three kiddish cups, two yarmulkes and a tasty potato latke.
On the sixth night of Chanukah, my bubbe gave to me, six shofars blowing, five mezuzahs, four tallim, three kiddish cups, two yarmulkes and a tasty potato latke.
On the seventh night of Chanukah, my bubbe gave to me, seven torahs, six shofars blowing, five mezuzahs, four tallim, three kiddish cups, two yarmulkes and a tasty potato latke.
On the eighth night of Chanukah, my bubbe gave to me, eight lit menorahs, seven torahs, six shofars blowing, five mezuzahs, four tallim, three kiddish cups, two yarmulkes and a tasty potato latke.

Directions: Given the following information, calculate the following:

1. The price index for these holiday presents with 1996 = l00 as the base year.
2. The % change in price for one of each item, the total of that item, and for the entire holiday gifts

Gift	**Total # given**	**1996**	**1997**	**% change one**	**% change total goods**
Latke		$1.50	$1.50		
Yarmulkes		$15.00	$17.50		
Kiddish Cups		$30.00	$45.00		
Tallim		$155.00	$160.00		
Mezuzahs		$65.00	$72.00		
Shofars Blowing		$525.00	$540.00		
Torahs		$1,250.33	$1,274.67		
Menorahs		$45.00	$58.00		
Candles for Menorah (on eighth night) hint: on last night of Chanukah, nine candles are used		$0.75	$1.00		
	Total number of gifts		Price Index		

Bonus Question: How many candles are used, on one menorah, during Chanukah?